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FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC 4779
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SUBJECT: ZIM NOTES 07-31-2009

1. SUMMARY

Topics of the week:

- Media Freedoms on the Horizon?
- NCA Calls for Halt to Constitutional Process...
- Biti Receives Death Threat...
- MDC-T MP Arrested for Stealing a Cell Phone...
- Anglicans Defy Court Order and Ordain New Bishop...
- Tribal Chief Evicted for KP Involvement...
- MDC to Fill Ambassadorial Slots...
- Reserve Bank of Zimbabwe (RBZ) Liberalizes Currency and Export Controls Further...
- Zimbabwean Businesses Form Council...
- Government Urged to Set Up a Revolving Fund...
- Inflation Down, But Downside Risks Remain...

On the Political/Social Front

12. Media Freedoms on the Horizon? After an eight-year ban, the BBC and CNN have been invited back into Zimbabwe. The BBC has had a team in country since July 25 reporting on a variety of issues including the inclusive government, rule of law, and land reform. Though both press outlets were invited by the Ministry of Media, Information and Publicity (MMIP), BBC's activities have been closely monitored by State agents. Additionally, the government may permit the production of an independent newspaper as a registration application by the producers of the former Daily News --shut down since 2003-- was accepted and the MMIP has encouraged the producers of the weekly Zimbabwe Independent and The Standard to establish a separate daily newspaper. Journalists and civic groups are highly sceptical that the government is truly committed to promoting freedom of the press. See Harare 626.

13. NCA Calls for Halt to Constitutional Process... Following the National Constitutional Assembly's one day "people's constitutional

convention" in Chitungwiza on July 27, the several thousand NCA members present called on government to abandon the ongoing Parliament-led constitutional process. The NCA --a coalition of several civic society groups and smaller opposition political parties-- intends on shadowing the official constitutional process and will hold its own countrywide consultations in the next four months before the findings are consolidated into a "peoples" draft constitution.

¶4. Biti Receives Death Threat... On July 27, Finance Minister Tendai Biti (MDC-T) received an envelope containing a 9mm bullet and a note advising him to "prepare your will." Biti has handed the evidence over to the police for forensic analysis. Though shaken up, Biti is committed to continuing his efforts to rebuild the economy and reform the government's past ruinous fiscal policies. See Harare 622.

¶5. MDC-T MP Arrested for Stealing a Cell Phone... The Deputy Minister of Youth, Tamsanga Mahlangu of the MDC-T, was arrested on July 28 and imprisoned for allegedly stealing a cell phone belonging to war veteran leader Joseph Chinotimba two weeks ago. Mahlangu has spent several nights in prison after the attorney general's office refused to take him to court; the police have 48 hours in which to refused to take him to court; the police have 48 hours in which to take an accused person to court. In an additional twist of absurdity, Chinotimba is suing Mahlangu for US\$19 million on grounds of "loss of business."

¶6. Anglicans Defy Court Order and Ordain New Bishop... Chad Gandiya was ordained as bishop of the Archdiocese of Harare on July 26 before a crowd of 4 to 5,000 people that included senior church

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officials from the U.S., UK, and the regional body, the Church of the Province of Central Africa (CPCA). Two days earlier, the excommunicated ZANU-PF-aligned, ex-bishop Norbert Kunonga won a court settlement granting contested church property to his small splinter faction; the magistrate also ruled that Kunonga was improperly deposed and decreed that the Church could not ordain a new bishop. The CPCA is appealing the ruling.

¶7. Tribal Chief Evicted for KP Involvement... The family of the tribal chief in Chiadzwa who led members of the Kimberley Process team to illegal mining sites was forcibly evicted from its rural home on Monday. A team of police and soldiers arrived at the rural home and ransacked it, declaring that Chief Chiadzwa needed to leave because he told his villagers to refuse to move and for taking the KP team members to unauthorized areas. His family fled before soldiers arrived. No one was injured.

¶8. MDC to Fill Ambassadorial Slots... The MDC-T has negotiated the right to fill ambassadorial vacancies in Australia, Germany, Nigeria and Sudan, while the MDC-M will fill the position of ambassador to Senegal. The appointments will set to rest one of the handful of outstanding issues arising from the incomplete and contested implementation of last year's Global Political Agreement.

On the Economic and Business Front

¶9. Reserve Bank of Zimbabwe (RBZ) Liberalizes Currency and Export Controls Further... In a mid-year monetary policy statement presented to bank chief executives on July 30, 2009, the RBZ re-introduced currency exchange houses that were suspended during the height of foreign currency trading irregularities. The public can now buy and sell foreign exchange in these institutions using international rates. Separately, the reporting threshold for documenting exports with the RBZ was raised from US\$1,000 to US\$5,000 to encourage small-scale producers to expand exports by reducing bureaucratic hurdles.

¶10. Zimbabwean Businesses Form Council... Zimbabwean business associations completed the formation of a business council by signing the constitution of the new body on July 29, 2009.

According to the current president of the Council, Kumbirai Katsande, the organization will hold an inaugural meeting in Nyanga in October 2009 to discuss issues affecting the business sector and to identify common positions it can take to government.

¶11. Government Urged to Set Up a Revolving Fund... The President of the Confederation of Zimbabwe Industries (CZI) has urged government to set up a revolving fund to enable industry to raise the capital required to increase capacity utilization to the 60 percent targeted for year's end. The industrial body bemoaned the lack of credit availability due to the low liquidity of domestic financial markets. The CZI also highlighted short repayment periods, power cuts and raw material shortages as constraints on industry.

¶12. Inflation Down, But Downside Risks Remain... Although the RBZ applauded the gains achieved in killing hyperinflation through dollarization, it warned that profiteering by traders, poor preparation for the 2009/10 agricultural season, intermittent power supply and high utility rates threatened to reverse gains.

Quote of the Week

¶13. "Violence is the language of the intellectually defeated. I am undeterred." - Finance Minister Tendai Biti after receiving a bullet

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and note threatening his life.

DHANANI